

Can the South Bronx Save New York?

A PROGRESS REPORT

South Bronx Overall Economic Development Corporation



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HUGH L. CAREY
GOVERNOR

July 17, 1975

Dear Mr. Patterson:

I wish to extend my congratulations and thanks to the South Bronx Overall Economic Development Corporation for outstanding contributions to its community.

Through the teamwork of business organizations, political leaders and the people residing in the area, your Corporation has begun to make a significant impact on the problems of a major urban neighborhood.

Because many of our nation's urban areas are in need of rehabilitation, this can be a useful showcase for other communities, encouraging them to take on the arduous but gratifying and necessary tasks of reshaping and revitalization. This capacity of the American people at the local level to unite the public, private and government sectors to solve common problems is to be encouraged. It is one of our most basic traditions.

I am pleased to commend this example of voluntary citizenship participation in bringing solutions to one of our country's more serious challenges.

My best wishes for continued success in this worthwhile effort.

Sincerely,

A handwritten signature in dark ink, reading "Hugh L. Carey". The signature is fluid and cursive, with the first name "Hugh" and last name "Carey" clearly legible.

Mr. John Patterson, Jr.
President, South Bronx Overall Economic
Development Corporation
370 East 149th Street
Bronx, New York 10455

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Chairman of the Board's Letter

South Bronx

Overall Economic

Development

Corporation

Since the founding of this Corporation in 1972 the prime concern of the Board of Directors and staff members has been the development of net new investment and net new jobs in the South Bronx. Of no less importance has been the creation of an economic environment that will make it possible for the indigenous population to share in the fruits of the free enterprise system.

This first formal publication of the Corporation's activities outlines the departmentalized structure that has been created to accomplish this tripartite mission. Great strides have been made in each of the three departments, and I am grateful to many for the support the Corporation has received.

- To my fellow Board members, ranging from a wide array of community and business representation to key elected and appointed officials at all levels of government, for their active participation.
- To the Federal Economic Development Administration, the Federal Office of Minority Business Enterprise, the New York City Department of Employment, and the City's Economic Development Administration for their combined direct and indirect funding.
- To the New York City and Bronx based business community for financial support as well as program cooperation, guidance and encouragement.
- To the other community based organizations that are attacking some of the other inner-city ills as well as economic development for their cooperation.
- To a well-motivated, professional staff for its great faith in the efficacy of the Corporation's mission and for its exemplary blend of creativity, enthusiasm and realism.

All that I've said so far and what you will read about in the following pages would not have progressed beyond the conceptual were it not for the good fortune of the Board of Trustees to have selected John Patterson, Jr. as President of the Corporation. His vision and professional management ability have been an inspiration to the Board, the staff and the community.

Finally, I'm especially grateful to my employer, Bankers Trust Company, for its faith in the City—particularly the South Bronx—and for its moral and financial support of my role as Chairman of the Board.

Yes, the South Bronx can save the City!



Michael J. Gill
Chairman of the Board

A handwritten signature in dark ink, reading "Michael J. Gill".

Statement of the President of South Bronx Overall Economic Development Corporation

In a curiously perverse way, the South Bronx is a highly visible reflection of much of what ails New York City. Disappearing resources, negative vested interests, unemployment and punishing poverty. This is why the question—"Can The South Bronx Save New York?" was chosen as the theme for our first annual report. It is not merely a rhetorical inquiry. For in the complex and often puzzling ways in which the ghetto becomes the focal point around which crucial municipal policies and strategies are shaped, the South Bronx is of singular significance to the future health of our city.

It is estimated that the cost to the city of providing necessary municipal services to our impoverished community of 400,000 is approximately \$1 billion. That is the same amount of the projected deficit for the city's next fiscal year. If the South Bronx were the viable, productive community that it can and should be, not only would the deficit be slashed, but the increased revenues generated by South Bronx businesses and wage earners would reverse the one way flow of dollars from the city's treasury.

The mission of the South Bronx Overall Economic Development Corporation is to restore this community once again to its position as a center of commercial and industrial activity in New York City and to improve the quality of life. However, this cannot be done without the commitment of our leaders in Washington, Albany, and City Hall.

SBOEDC represents a community-based effort to solve problems not uncommon to most urban ghettos. And efforts to solve these problems of deteriorating businesses, mounting unemployment and stubborn poverty, must be encouraged and strengthened. For it is what can be accomplished in these local communities by local residents and their leadership that will determine the future course of our city.

Happily we have received the active and concerned support of our board. And were it not for the progressive and pragmatic leadership of our chairman, Michael J. Gill; the confidence and support of the community; the assistance and confidence of the business sector and the dedication and competence of our staff, we would not have been able to reach this point in achieving our goals.

A revitalized South Bronx can save New York merely by stemming the excessive drain on the city's coffers. But there is more. It can pump life and energy into our dispirited citizens by providing jobs and business opportunities. It is clear that the South Bronx plays a vital



John Patterson, Jr.
President

role in the current condition of New York City. But it is our community's future role that may well determine the city's future.

We are optimistic about the future of the South Bronx and the City of New York. We hope that in this, our first annual report, we have been able to share some of that optimism with you.

A large, stylized handwritten signature of John Patterson, Jr. in dark ink, written in a cursive script.



Can the South Bronx Save New York?

It is a bold and audacious assertion certain to raise the eyebrows of skeptics and critics alike with its implied hyperbole, but to paraphrase the words of one big city mayor: "Wherever New York City is going, the South Bronx will surely get there first."

For the South Bronx is a bellwether community. New York City has lost thousands of businesses and more than 400,000 jobs during the past six years. But the flight of businesses from the South Bronx and the precipitous decline in employment had long preceded the city-wide drop in economic activity.

The New Immigrants

So was it also with the changing population. Once a white working class community composed largely of European immigrants, the exodus of whites from the South Bronx community presaged a city-wide phenomenon which saw two million whites leave the city to be replaced by two million Spanish-speaking immigrants from the Caribbean and Blacks from the South. Sections like Morrisania, Mott Haven, Hunts Points and Melrose have all been waystations for earlier generations of the poor and so it is today. Moreover, with the exception of recently constructed public housing, most of the apartment houses were built during the 1920s and early '30s.

**We have the Arterial Facilities ...
Conveniently Located...**





Still the South Bronx is ideally situated for commerce and industry. Located on the southern tip of The Bronx, it has a sophisticated system of railways, roadways and water facilities that once made it a thriving center of commerce in New York City. Indeed, 25 years ago, The Bronx had more people making more money than any other borough.

Then came the shift to suburbia with its resulting change of population and the exodus of middle-income families and businesses from New York City. In a little more than two decades, The Bronx fell from its premier position as top money maker to become the city's poorest borough. Median family income for The Bronx is \$8,200 while in the South Bronx it is closer to \$5,000.

The distress signals have come regularly during the past ten years as the accumulated effects of a declining tax base and escalating demands for city services have strained the city's limited resources. Indeed, New York's fiscal dilemma is central to what has come to be known as the "urban crisis": an inability to adequately respond to the growing demands of the city's population, a large percentage of whom are young, elderly, minority and poor and the effects of which were first felt in the South Bronx. It is estimated that 30 per cent of the working-age population in the South Bronx is either unemployed or underemployed. The welfare load is twice the city average and 20 per cent of all fires occur here.

That is why when South Bronx Overall Economic Development Corporation President John Patterson, Jr. first posed the question to his staffers, "Can The South Bronx Save New York?" there was understandable disbelief. Then after the initial shock, as was his purpose the proposition was accepted as the challenge it is.

It is Patterson's contention that the South Bronx with its central location for commerce and its large and eager labor pool is ideally suited to help revitalize the city. Instead of being a \$1 billion dollar drain on the city's resources it could stimulate industry and commerce and generate revenue for the city.



We have the land—ready for development





"The South Bronx is ideally situated," said Patterson. "We have all the arterial facilities—and the land—to accommodate industry and commerce smoothly and efficiently. And we have the people, young (most of the population is under 45) qualified and qualifiable to do the work. Indeed, they are eager and anxious to work."

To be sure, the major resources of the South Bronx are its land, its location and its people, many of whom, admittedly, have limited skills at a time when the demand for unskilled and blue collar workers is on the decline. It was out of these concerns and a need to reverse the pattern of despair and decline that the South Bronx Overall Economic Development Corporation was founded in February 1972.

SBOEDC came into existence as a result of the co-operative efforts of a key group of government, business and community leaders. Their central and unifying concern was a strongly felt need for the industrial, commercial and overall economic regeneration of the South Bronx. Yet there were few illusions. They knew it would be a formidable task.

In the beginning, SBOEDC's primary but not inconsiderable assets were: (1) a concerned and committed group of community, business and political leaders (2) the involvement of federal and city officials and (3) the industrial development resources made available to the organization by the United States Economic Development Administration, which designated the area as a "special impact area for redevelopment."

and the People—eager to work



The Corporation's early mandate to "advise the South Bronx community of economic opportunities through redevelopment plans and to inform them of funding sources available to them and how they could be coordinated" is still the central mission of SBOEDC. But its interests and responsibilities have been since expanded to meet the mounting social and economic needs of the area.

From its original budget of \$75,000 received from EDA and matched by in-kind contributions of \$25,000 from the community, the Corporation's budget has grown to almost \$400,000 and its staff has increased from two to 18.

It is significant that SBOEDC opened its doors almost simultaneously with the stirrings of organized redevelopment activities in the community. Once dormant, the community was beginning to reassert itself, focusing its attention on economic development and the area's future well being. It was an important first step.





Community Business Development

Community Business Development

For years, the South Bronx business community limped along struggling valiantly against formidable odds to survive and prosper in an area which often seemed on the verge of abandonment. But no community survives or thrives without viable businesses. Indeed, these enterprises help to shape the character of a community, providing it with commerce and generating an internal flow of capital necessary to its vitality. Moreover, as the population changed, its newer residents, largely Black and Hispanic, moved in. They became the new entrepreneurs.

In the best of times, minority businessmen have problems of marketing, record keeping and financing. Any downturn in the economy merely exacerbates the situation. It was out of this concern to strengthen and encourage the development of small businesses in the South Bronx that the Community Business Development Department was established. Woodie Pagan, a Bronx resident, was named vice president of the department.

A contract was secured with the Office of Minority Business Enterprise (OMBE) to provide management and technical assistance to minority businesses, package loans and assist in whatever way possible. SBOEDC was officially designated a Business Development Organization (BDO) and with the able assistance of OMBE's New York office, our ability to assist local businessmen was enhanced considerably.

An early lack of publicity stymied SBOEDC's effectiveness because local businessmen were unaware of its existence. But after spot television appearances by Patterson and Pagan, the organization's visibility was measurably improved. This combined with the department's outreach program has helped to gain the wide acceptance, the Corporation now enjoys in the community.



Loan Packaging

A tight money market brought on by double digit inflation and historic new highs for prime interest rates, has not slowed SBOEDC's loan packaging effort, but it has had a demonstrable effect on the quality of this effort. We believe that this is the result of the advice and assistance we have been able to give minority businessmen, many of whom previously lacked experience in seeking financing. To date SBOEDC has prepared or submitted 26 loan packages totalling \$2,575,000. There is a continuous flow of local businessmen who come to the office, but unlike earlier days the applicants are increasingly more qualified.

Technical Assistance

SBOEDC has worked with several professional organizations and business associations to provide technical and management assistance to local businessmen. The New York State Society of Certified Public Accountants, the National Shoe Retailers Association, the Metro Coop and the Urban Consulting Group have been generous in their support of local business efforts.

To date, SBOEDC has provided assistance to more than 285 clients including the South Bronx Puerto Rican Development Corporation, an OMBE sponsored demonstration program that plans to construct and operate a minority-owned shopping center complex. Working through the Department of City Planning and Local Community Board No. 1, SBOEDC helped them obtain the site. The department has also assisted local entrepreneurs with tax problems and helped one client to relocate after a study revealed that his old location had very little customer traffic.

Education and Training

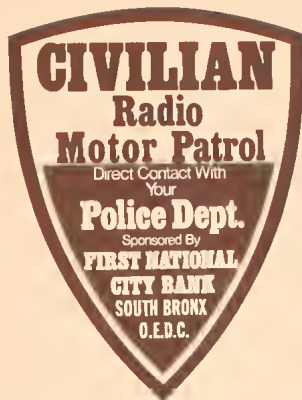
SBOEDC discovered early in its operation that a number of minority businessmen were not prepared to properly administer the daily operation of their businesses. Technical and management assistance was not enough. So with the assistance of New York State, OMBE and Hostos Community College a curriculum of practical business study for small businessmen was established at Hostos Community College. A salient feature of the four-course program is its bi-lingual instruction. Approximately 170 businessmen are enrolled in the program.

Set-Aside Contracts

SBOEDC has been working with the General Service Administration to help local firms qualify for set-aside government contracts. As an area with "substantial unemployment", The Bronx is eligible for these specially designated "set-aside" contracts which require no bidding.



Woodie Pagan
Vice President



Curbing Crime and Fires

SBOEDC is also an active member of the Minority Purchasing Council and one of our clients, a local printing company, is regarded as one of its top minority businesses.

However, despite these efforts few businesses can survive in a hostile environment where crime or the fear of crime is an ever present danger. So with the assistance of First National City Bank and the cooperation of local radio taxi companies and the New York City Police Department, SBOEDC was able to establish the Civilian Radio Motor Patrol.

Under the program, participating cab companies report directly to the police department on crimes in progress, accidents or fires observed by their drivers. This highly successful program was the prototype first used by the city and since has been expanded to include the entire city.

The Corporation also initiated a high-intensity street lighting program to help reduce street crime. It is the largest such lighting program of any community in the country and has been a factor in limiting street crimes.

Still, any candid observation of life in the South Bronx indicates that unless the conditions which create crime are alleviated, the Civilian Radio Motor Patrol project, the high-intensity lighting campaign and other such projects initiated by SBOEDC to curb crime will have limited effect. Unemployment, particularly among youth in the South Bronx, which is an estimated 50 per cent, is a continuing problem that has been aggravated by the current recession. At bottom what is needed is more wages in the pockets of our residents.

In January of 1974, the Community Business Development Department, alarmed over the increasing number of fires, joined New York City's Police and Fire Departments, Chemical Bank and the Seabury Better Block Association to develop a pilot project for a ten block area which had been hard hit by fires. These fires had caused residential as well as commercial displacement and had started the area on a downward cycle.



Local merchants and citizens were made aware of the problems caused by abandonment through an intensive public and community relations campaign. Fire prevention classes were organized and local businessmen were instructed in ways to correct fire hazards. As a result of this pilot project, local community groups were mobilized and have formed a permanent organization to extend the scope of the program and expand the area to be covered.

Manpower Development Department



Manpower Development Department

To raise the economic level of any community, money must be injected into the mainstream," says Joan Klonsky, vice president of SBOEDC's Manpower Development Department. "This is accomplished not only by the continuing investment and vitality of businesses, but also by the people who are employed in those businesses and who spend their earnings in the community."

It is this philosophy which has made SBOEDC's manpower development department one of the most critical components in the Corporation's strategy. Faced with a shift in employment demands and the declining need for blue collar and unskilled workers, the South Bronx with its largely Black and Hispanic population, many of whom are undereducated, semi-skilled and unskilled with language problems is not unlike The Bronx of a half century ago and the immigrants that preceded them.

Still, the department in its two years of existence has developed an enviable record of achievement. Working directly with the community's employers, it has in the area of job development twice exceeded its contractual goals with New York City's Department of Employment by more than 100 per cent. It has also encouraged national firms to "adopt" an area high school and the result has been the strengthening of school curricula, an increasing involvement of business firms in the community and a higher likelihood of employment for South Bronx high school graduates who better know and understand the needs of prospective employers. The department has also developed comprehensive manpower services for area employers, helping them fill job vacancies and designing and securing funding for on-the-job training programs which have resulted in increased employment opportunities for South Bronx residents. Equally important, it works closely with established service and training organizations in the area which have outreach programs for job seekers in the community.



Marketable Skills

At the same time, technical assistance is available to manpower training programs in The Bronx for the purpose of developing trainees. The department also assists in the design and refinement of training curricula, recruitment and screening procedures to insure that the training will result in the acquisition of marketable skills.

Job Development

During its first contract year from July 1, 1973 to June 30, 1974, SBOEDC was mandated through its contract with the city's Department of Employment to develop 500 jobs for area residents. It developed more than 1,000 jobs. In its second contract year, the department is far ahead of last year's pace, having developed more than 1,000 jobs by April 31.

On-the-job training

Over \$250,000 in federal, state and city funding has been obtained by SBOEDC for training programs for local employers. To date, the department has generated five on-the-job training programs, all of which were funded by New York State through its WIN (Work Incentive) Program, which is designed to provide work for welfare recipients.

Daitch-Shopwell, a major supermarket chain which is based in the South Bronx, had the largest number of trainees, 20, a third of whom successfully completed the program. Four other area companies participated in the program: Dimensions in Gold, a furniture manufacturer, HEB Service Station, an automobile service firm, Questor Educational Products Co., a major toy manufacturer and one of the largest industrial employers in the South Bronx, and Lat-Sep Recovery Corp., a consumer credit counselling firm.

Adopt-a-School Program

The department has been working with three local vocational high schools through SBOEDC's Adopt-a-School Program which seeks to develop jobs for students and improve the level of skills training they receive. The schools are Samuel Gompers, which specializes in electronics and electricity, Alfred E. Smith, automotive trades, and Grace Dodge, accounting, secretarial skills and distributive trades.

Serious job development efforts at Gompers and Grace Dodge have been hampered because of the lack of needed equipment at the schools and a curriculum which had not kept pace with the job marketplace.





The Xerox Corporation has loaned Gompers a major piece of sophisticated xerographic equipment and has been working with the school's faculty to revise its electro-mechanical curriculum, which will be operative in September 1975. The company also hired two 1974 Gompers graduates after they successfully completed its rigid selection process.

The New York Telephone Company—at SBOEDC's request—conducted an in-depth analysis of the sales, secretarial and accounting curricula at Grace Dodge and made specific recommendations regarding improvements. The company has also agreed to assist in upgrading the curricula.

Alfred E. Smith has an excellent automotive curriculum and traditionally had little problem placing its graduates. But the recent recession has seriously reduced job opportunities for Smith graduates. Last Spring, the manpower department arranged for executives from Strauss Stores, an automotive supply and service company, to tour the school. Six Smith graduates were hired by the company and the school has since become a chief recruitment source for Strauss Stores.

Comprehensive Employment Training Act

Enacted in 1973, this federal legislation provides for the allocation of special revenue sharing funds to so-called prime sponsors—local municipalities and other government jurisdictions—for the purpose of generating jobs for the chronically unemployed, while meeting the manpower needs of business and industry.

Because of the shortage of skilled secretarial help in the area, SBOEDC in conjunction with Con Edison and a variety of Manhattan and Bronx business and industrial interests, is developing a CETA-subsidized secretarial on-the-job program to help relieve that shortage. An omnibus on-the-job training program is also being developed to help alleviate job scarcities in other critical areas.

Under the CETA guidelines, the length of an on-the-job program depends upon the skill level of the job, but generally few programs are less than two weeks nor more than 52. Reimbursement rates for employers participating in the program are set by the city's Economic Development Administration which administers the program. They are as follows:

- 100 percent of their trainees' salaries for time spent in classroom training.
- 100 percent of their trainees' salaries for time spent for orientation, counseling or other non-productive time.
- 50 percent of their trainees' salaries for time spent in productive on-the-job training.

Bronx Health Manpower Consortium

As a founding member of the board of directors of this group which is composed of organizations representing the borough's health-care facilities, educational institutions and community groups, SBOEDC is attempting to meet the borough's manpower needs in the area of health care. Health care is one of the largest industries and employers in The Bronx. Through the Consortium's job bank, which was conceived and designed by the SBOEDC staff, job applicants are matched with openings in Bronx health-care facilities.



Ex-offender Programs

Ex-offenders are a large proportion of the South Bronx population and the department has worked cooperatively with Hostos Community College, Querer, the Vista-Rikers Island project and other local organizations to assist ex-offenders in finding gainful employment and to aid them in their readjustment to community life.

In addition, in cooperation with Bronx Community College, SBOEDC has designed a \$150,000 proposal for an educational and pre-vocational training program for persons detained at the Bronx House of Detention. The proposal has the support of the City Department of Correction. Funding support is being sought from a variety of state and local agencies.

Changing Economy

The current recession merely underscores New York's growing dilemma—a changing economy. Most of the jobs in New York City are in service industries, government or health care. For the most part, available jobs in these industries cannot accommodate the "new" semi-skilled or unskilled worker. Yet the South Bronx is one of the last remaining areas in the city that is zoned for industrial and commercial activity which can make use of the community's vast labor pool and create employment opportunities.

For more than a decade now, businesses have been leaving New York City and the South Bronx. During that time, what began as a trickle grew into an alarming flood. For with the exodus of industrial and commercial firms from the city, and particularly the South Bronx, came a declining job market and eroded tax base. The loss of these businesses contributed sharply to the decline of business activity in the South Bronx. More important, thought Patterson, the pattern of decline was indicative of a growing weakness in the economic life of the city itself.



Joan Klonsky
Vice President

Industrial and Commercial Development



Industrial and Commercial Development

Little wonder that central to the Corporation's mission when it was founded were two primary concerns:

- To retain and nurture those industries and businesses presently in The Bronx
- To introduce new and vital enterprise to The Bronx to stimulate its economy and create jobs.

Not surprisingly, the task has been a difficult one for the Corporation's one-man department. But in spite of this handicap, there have been tangible and intangible benefits which have accrued to the South Bronx community as a result of its efforts.

Among the tangible benefits have been the close relationship SBOEDC has developed with businessmen in the area. SBOEDC has been able to provide them with considerable assistance, particularly those who want to expand their operations.

Equally important, the department has developed a close working relationship with city, state and federal officials which not only has facilitated the Corporation's ability to assist local industrial firms, but has heightened the awareness of these officials regarding the resources and the enormous potential of the South Bronx.

There are in the South Bronx large tracts of vacant, available and desirable sites for industrial and commercial development. The most desirable site is the Penn Central Yards, a 110-acre strip of land which has arterial access to rails, waterways, roads and a nearby mass transit system. The importance of this site was underscored when SBOEDC, in cooperation with Senator Jacob K. Javits, initiated the move to bring an industrial park to the South Bronx. SBOEDC President Patterson was named to chair the special South Bronx Industrial Park Committee that was subsequently set up to transform the abandoned rail yards into a thriving industrial center.

To help revitalize this area, SBOEDC Vice President Joseph Saltzman has developed a multi-faceted program to assist firms located in the South Bronx and to attract others to the area. These efforts range from business expansion programs in which local business acquire vacant properties to assistance with a variety of zoning problems.

Business Expansion Program

The problem: a high percentage of businesses leave the South Bronx because of the difficulties and complexities of acquiring additional property when they are ready to expand. They need assistance. The program works like this:

SBOEDC seeks out vacant properties owned by the city through "in rem" or default proceedings-properties which would enable a company to expand its plant facilities and its work force. The results of a typical transaction are as follows: 1) SBOEDC facilitates a sale of adjoining property by New York City to the company for which the city receives immediate cash, 2) the property is immediately restored to the city's rolls, 3) the business firm will construct an addition to its existing building to expand its operation, 4) the expansion creates additional employment opportunities.

To date, SBOEDC has guided and expedited three such transactions enabling these firms which might have moved elsewhere to remain in the South Bronx. In expanding their facilities they have also generated revenue and employment for the community.

Industrial Development Agency Program

New York City's Industrial Development Agency (IDA) was created to provide financial assistance to those companies who want to build or expand facilities in the city. This is done by the issuance of tax-exempt bonds through the agency.

IDA came into being in April 1974 and only recently became fully operative. SBOEDC has encouraged several Bronx-based firms to take advantage of the low-cost financing for expansion. Area firms are not only made aware of the program but where necessary, are assisted by the Corporation.

Thus far, Cummins Metropolitan, Inc., the distributor and servicer of Cummins diesel engines in the northeast, has applied for a \$1.2 million relocation loan. IDA has approved the package and Cummins is likely to be the first company to receive a low-cost loan under the new program.

Another Bronx-based firm, Accessory Specialties, Inc., a manufacturer of washroom and hospital accessories, also applied through SBOEDC for IDA financing. The company employs about 100 South Bronx residents and wishes to expand its facilities with the acquisition of 20,000 square feet of additional space.

Private Financing Program

The problem: The financing of commercial first mortgages in the South Bronx has become nearly impossible.





Joseph Saltzman
Vice President

SBOEDC is attempting to create a better climate for mortgage borrowing for business property and recently was able to obtain, through the cooperation of New York Life Insurance Company, a \$100,000 first mortgage loan for Max Genser, Inc., a long-established meat processor. The company purchased a new building on Craven Street in the South Bronx. With a softening of the money market, SBOEDC is confident that more Bronx firms will soon be able to obtain the necessary financing for expansion and new acquisitions.

Zoning Assistance Program

The department has been structured so that it can provide needed assistance to businessmen seeking zoning changes or variances. Because of SBOEDC's familiarity with various city agencies we have been able to expedite a number of zoning changes.

One example of the department's efforts in this regard was the Gotham Dyeing and Finishing Corporation, a long-time Bronx firm which employs 200 local persons. It wished to use a loading platform which was critical to its operation. However, the zoning law prohibited it. But unless the change could be made, the company would be forced to relocate, possibly outside the city, we were told.

Through the cooperation of several city agencies and local organizations, including the New York City Planning Commission, the Bronx Chamber of Commerce, the Third Avenue Merchants Association and Local Community Board No. 3, a variance was obtained and the problem was satisfactorily resolved.

The department has also been working in close cooperation with the Bronx Real Estate Board. The Board and SBOEDC are anxious to keep businesses already in the community by helping them expand and prosper and to attract more businesses to the area.

The South Bronx Industrial Park

Few projects have the potential for the dramatic revitalization of the South Bronx and, therefore, the economy of the City of New York than the proposed South Bronx Industrial Park. The Penn Central Company owns 77 acres of the 110-acre site and the remaining acreage is owned by a number of private businessmen.

This project, when completed, will mean thousands of jobs for South Bronx residents. One Italian developer, Renzo Zingone, has already expressed interest in the project and development of the site could create 2,500 to 5,000 jobs.

The proposal has received the enthusiastic involvement of Senator Javits and the 22-member committee. The area is an eminently attractive one for industrial development. Situated at the southern tip of The Bronx, it has excellent access to rail, the regional highway system, waterways, the local street system and the subway and bus transit system.



The Industrial Park would house industries that are labor intensive and would provide supporting services such as restaurants, branch banks and miscellaneous convenience outlets to service the park and the work force.

When completed, the project area will have about 5.7 million square feet of rental industrial space and an appropriate amount of commercial space. Total value of the project at completion could approximate \$125 million and is expected to generate an average annual gross rental income of \$13.7 million and over \$18 million in wages. Construction costs of the project are estimated at about \$85 million. There is little question that the completion of this project would have a significant impact upon the economy of the South Bronx.

HUB Shopping and Commercial Center

SBOEDC has proposed that the 10-acre site bounded by East 149th Street, Third Avenue and St. Ann's Avenue be converted into a modern shopping and commercial center. The HUB, which is the center of commercial activity in the area, is in need of a modern, efficient and unified commercial complex to revitalize the area.

The HUB shopping district draws customers from a wide service area of up to five miles. They travel to the district by foot, bus, subway and automobile. Moreover, the Third Avenue "EL" is coming down and massive redevelopment efforts are underway by the Bronxcheater Urban Renewal Office and a similar project is to be completed in the area just south of 147th St. There will be 1,500 low and moderate income apartments built on the latter site. This building activity, plus the new Lincoln Hospital and the expansion of Hostos Community College will mean increased consumer traffic in the area.

Additionally, acquisition of property rights should not prove too troublesome. Most of the properties in the area are owned by New York City. Some of the properties are held by private owners but the entire area is under the jurisdiction of the New York City Housing and Development Administration.

The cost of development is estimated to be between \$35 and \$40 million. It will contain over a million square feet of rental space and will serve the needs of the more than 400,000 South Bronx residents.

SBOEDC has worked diligently and determinedly to make the proposed projects a reality. To that end they have consulted many professionals with outstanding records of accomplishment in the development of shopping centers. This is why SBOEDC is confident that with the necessary government, community and business support the South Bronx can once again be an asset to the City.



SBOEDC STAFF

Ramón de Cruz
Rosa García
Barbara A. Goodwin
Jesse E. Hamilton
Zachary C. Husser
Joan Klonsky
Patricia H. Layne
David Maldonado
Woodie A. Pagan
John T. Patterson, Jr.
Pat Patterson
Félix Robles
Carmen D. Rodríguez
Diana Rosa
Joseph E. Saltzman
Anthony P. Torres
Aberto Urbina
Sandra Wilkins



The Future

Since its inception, the record of the South Bronx Overall Economic Development Corporation has been one of progress and determination. This despite an economic climate which has been the most severe since the Great Depression of the Thirties. The Corporation has worked closely and cooperatively with all the local community agencies and has helped to educate city, state and federal officials to the magnificent economic potential of the area.

After three years of operation, the Corporation knows and understands this potential, and the opportunity for the South Bronx not to be a drain on the city's resources, financial and otherwise, but to become a productive part of this great metropolis generating revenue and enriching its culture.

Indeed, the South Bronx has a vast potential for revitalizing itself and the City of New York. The Hunts Point Market, a modern Yankee Stadium, the new Lincoln Hospital, the proposed Fordham Shopping Center and an expanded Hostos Community College, are all evidence of the community's ability to accommodate diverse industries and vital activities.

We cannot, of course, take credit for all that is happening in the South Bronx, but SBOEDC has contributed to the current spirit of rejuvenation. No community survives or thrives without a healthy business environment and this has been the Corporation's overriding concern. We have worked hard to shore up and encourage local businessmen and industrialists in order to create a more favorable business climate. We have developed jobs for many in the community. We plan to do more.

Some Have Come Back

We have been heartened by this new climate. There is an atmosphere of confidence that is tempered by our

troubled times, but local entrepreneurs and financial institutions are intrigued by the area's promise. There is no longer a feeling of abandonment. Our banks, our savings and loan institutions, the schools, health care facilities and other institutions, like its residents, are bullish about the future of the South Bronx.

Only recently, the Coca-Cola Bottling Company dedicated its new distribution plant on East 149th Street, the largest in the world, and expressed its confidence in the community's future. And a wholesale company which had moved from the South Bronx to a location outside the city announced it was returning. Its move away from New York City was a "mistake," the owner said.

SBOEDC takes pride in having contributed to this atmosphere. We suggest, however, that this is a mere beginning, that having helped to create a healthy attitude toward the South Bronx there must be more committed attempts to seriously develop its potential.

After a decade of exodus, the South Bronx is demonstrating that there are few places that offer such a hospitable environment for business development. Moreover, it has among its local organizations and leadership, a constructive attitude and spirit that encourages economic development.

For too long now, the South Bronx has been a backwater community which received scant attention and even less commitment from the leaders in our city, in Albany or Washington. Yet the economic drain now being felt by city hall was first experienced in the South Bronx. What the experiences of the past ten years or more have taught us is that the city is really no more or less than the sum of all its parts, any of which they neglect at its peril. If New York is to remain the viable, vibrant metropolis it should be, then its most hard-pressed part, the South Bronx, must be revitalized. It must find ways to encourage industry and employment instead of welfare and estrangement.

Business Advisory Council



Woodie Williams
Morgan Guaranty

John Dunn
New York Telephone Co.

John A. Peterson
Con Edison

Stephen Barrow
Chemical Bank

Ira Rimmerman
First National City Bank

James Tiernan
Chase Manhattan Bank

John T. Patterson, Jr.

Robert Zeller
Dollar Savings Bank

Michael J. Gill
Bankers Trust Company

Stephen Barrow
Chemical Bank

Robert J. Collishaw
Chemical Bank

Myles Borland
First National City Bank

William Herbst
First National City Bank

Ira Rimmerman
First National City Bank

Philip Burns
Chase Manhattan Bank

Jack B. Davies Jr.
Chase Manhattan Bank

James Tiernan
Chase Manhattan Bank

Harold F. Conley
Manufacturers Hanover Trust Company

George Delaney
Con Edison

Donald Dimuro
Bankers Trust Company

Michael J. Gill
Bankers Trust Company

Morton Greer
New York Telephone Company

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Washington Federal Savings & Loan Association

Wallace R. Madison
Washington Federal Savings & Loan Association

James T. Wallis
Morgan Guaranty Trust Company

Henry Watermade
Dollar Savings Bank

Robert Zeller
Dollar Savings Bank

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Alfred Eisenpreis
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Commissioner



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Percellus Jones



Joseph Galiber
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Robert Garcia
Senator



Ferner Louis Gigante
Councilman



Hubert D. Irons



Jacob K. Javits
Senator



Albert Kindler



J. Bruce Llewellyn



Wallace R. Madison



Michael Nuñez



Irma da Serrano



Edward Stevenson
District Leader



Ramon S. Velez
Councilman



John E. Zuccotti
Commissioner

The names of board members whose photographs do not appear are: Ralph Alvarado, Lawrence Burr, Frazier Davidson, Ramon Feliciano, the Rev. Kenneth Folkes, the Hon. Bernard Jackson, Albert Kindler, Milton Landes and Frank Lugovina.

South Bronx Overall Development Corporation
Statement of Revenues and Expenditures
FOR THE YEAR ENDED MARCH 31, 1975

	TOTALS
REVENUES:	
Non-Government Cash Contributions	\$ 45,226
Dividend Income	71
Government Grants and Contracts:	
City of New York	60,158
Federal	241,484
In-Kind Contributions	45,860
Total Revenues	\$392,799

EXPENDITURES:	EDA Program	DOE "I"	DOE "J"	OMBE "I"	OMBE "II"	Unrestricted	
Personnel							
Salaries	\$109,880	\$ 9,705	\$39,526	\$53,044	\$39,960	\$10,794	\$262,909
Fringe	5,189	1,180	3,561	4,679	4,116	1,242	19,967
Occupancy & Equipment	2,125	672	1,251	5,115	2,834	3,529	15,535
Other Costs	822	1,712	6,699	8,477	5,110	18,959	41,779
Total Expenditures	\$118,016	\$13,269	\$51,037	\$71,315	\$52,029	\$34,524	\$340,190



This is a detailed, sepia-toned map of Lower Manhattan, New York City. The map shows the dense grid of streets in the city, with major thoroughfares like Broadway and the Hudson River clearly marked. The East River is visible on the right side, and the Statue of Liberty is depicted on Liberty Island. The map includes a legend in the bottom right corner, a compass rose in the bottom center, and various labels for streets and landmarks. The overall style is that of a historical or archival map.